

# BUDGET LETTER

<b>SUBJECT:</b> ESCALATION OF CONSTRUCTION COSTS	<b>NUMBER:</b> 03-14
<b>REFERENCES:</b> SAM SECTION 6818	<b>DATE ISSUED:</b> June 20, 2003
	<b>SUPERSEDES:</b> BL 02-16

TO: Agency Secretaries  
Department Directors  
Departmental Budget Officers  
Departmental Accounting Officers  
Department of Finance Budget Staff

FROM: DEPARTMENT OF FINANCE

**Budget Officers should forward a copy of this Budget Letter to the Department Facilities Manager.**

Each spring, the Department of General Services updates the California Construction Cost Index (CCCI), which the State uses to estimate construction costs. The CCCI is an average of the Building Construction Cost Index for Los Angeles and San Francisco, as published in the Engineering News Record. For 2004-05, the CCCI is projected to be **4100**, representing a **2.02** percent increase from the projected 2002-03 CCCI of 4019.

Departments are required to base their 2004-05 Capital Outlay Budget Change Proposals (COBCPs) on the 2004-05 index. Therefore, any previously submitted 2004-05 COBCP will need to be technically updated to recalculate construction costs using a CCCI of 4100. Revised COBCPs must be submitted to Finance no later than **August 4, 2003**.

For any questions, contact your Capital Outlay budget analyst at (916) 445-9694.

/s/ Yoshie Fujiwara

Yoshie Fujiwara  
Program Budget Manager

## Upcoming Budget Letters

- Office Revolving Fund Disbursements
- Updating Capital Outlay Fiscal Impact Worksheets for Legislative Changes